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## Government Accountability & Oversight Committee

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### HB 1022

**Brief Description:** Concerning the sampling of wine and beer at specialty stores.

**Sponsors:** Representative Haler.

#### Brief Summary of Bill

- Allows beer and/or wine specialty shops to provide samples to customers without prior qualification from the Liquor Control Board.
- Allows brewers, distributors, wineries, distillers, and importers to provide samples to other licensees, without being subject to Liquor Control Board rules.

**Hearing Date:** 1/22/13

**Staff:** Jessica Harrell (786-7349).

#### **Background:**

The Liquor Control Board (Board) issues a number of types of liquor licenses. A beer and/or wine specialty shop license allows the licensee to sell beer, strong beer, and/or wine for off-premises consumption.

#### **Sampling in beer and/or wine specialty shops**

A beer and/or wine specialty shop may provide samples of two ounces or less to customers to promote sales. Samples may be for free or for a charge. The statute governing beer and/or wine specialty shops authorizes the Board to adopt implementing rules.

The Board's rule provides that a beer and/or wine specialty shop may provide samples if the primary business is the sale of beer and/or wine and the licensee either:

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(1) has gross retail sales of beer and/or wine that exceeds 50% of all gross sales for the entire business; or

(2) the specialty shop conducts bona fide cooking classes, for a fee, for the purposes of pairing beer and/or wine with food. The licensee must receive prior approval from the Board before conducting sampling with cooking classes.

Under the rule, no more than a total of eight ounces of alcohol may be provided to a customer per visit. Each sample may not exceed two ounces and no more than one sample of any single brand or type of beer or wine may be provided to the customer.

### **Sampling to licensees**

A brewery, distributor, winery, distiller, certificate of approval holder, or importer may furnish samples of beer, wine, or spirits to a licensee to negotiate sales in accordance with regulations adopted by the Board. The adopted rules provide various restrictions on those entities providing samples to licensees. For example, a brewer or winery may furnish a sample of beer or wine to a wholesaler if the wholesaler has not previously purchased the brand and type or vintage year from the supplier furnishing the sample. The samples to these licensees may not be more than 72 ounces of any brand and type of beer and not more than one liter of any brand and type of wine.

### **Summary of Bill:**

#### **Legislative findings**

The Legislative findings state that all licensees were to be able to provide sampling without needing to qualify to do so. The Legislature intends to nullify rules that limit sampling to businesses with gross sales of beer and wine exceeding 50% or that provide samples in conjunction with cooking classes.

#### **Sampling in beer and/or wine specialty shops**

All beer and/or wine specialty shop licensees may provide samples without prior board qualification.

#### **Sampling to licensees**

A brewery, distributor, winery, distiller, certificate of approval holder, or importer may furnish samples of beer, wine, or spirits to other licensees to negotiate sales, without being subject to regulations adopted by the Board.

**Appropriation:** None.

**Fiscal Note:** Requested on 1/17/13.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.